

## Message Text

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42

ACTION EB-07

INFO OCT-01 AF-06 ISO-00 COME-00 /014 W

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P 221458Z MAY 75

FM AMEMBASSY LAGOS

TO SECSTATE WASHDC PRIORITY 9400

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E.O. 11652: N/A

TAGS: BEXP, BPRO, NI

SUBJECT: BUSINESS PROPOSAL THEODORE STAGG & CO.

REF: LAGOS 4559 AND PREVIOUS

1. WE SPOKE WITH MR. LAKIN-SMITH OF MOD ON MAY 21. CONCERNING STAGG'S LETTER OF MAY 8. HE LARGELY CONFIRMED OUR INTERPRETATION OF AFFAIR TO DATE AS OUTLINED REFTEL.

2. ON QUESTION OF INYANG'S CREDENTIALS, LAKIN-SMITH STATED EMPHATICALLY THAT INYANG IS PRIVATE MIDDLEMUC PURE AND SIMPLE, AND WAS AT NOT TIME GIVEN ANY AUTHORITY TO ACT ON MOD'S BEHALF.

3. AS TO PRESENT STATUS OF STAGG'S OFFER, HIS MAY 8 LETTER WILL SUFFICE AS AN EXPRESSION OF INTEREST. HOWEVER, MOD DOES NOT REPEAT NOT INTEND ACCEPT ANY FURTHER PROPOSALS FOR CEMENT UNTIL MIDDLE OF AUGUST AT EARLIEST. SINCE PRICE SITUATION MAY CHANGE BETWEEN NOW AND THEN, LAKIN-SMITH SUGGESTS IL STAGG STILL INTERESTED HE SHOULD SUBMIT NEW PROPOSAL SOMETIME IN FIRST WEEK OF AUGUST.

4. CONCERNING UREA AND OIL FIELD PIPE EQUIPMENT, LAKIN-SMITH CONFIRMED THESE OUTSIDE MOD'S BAILIWICK. HE SAYS HE WILL SEND PHOTOCOPIES OF STAGG'S MAY 8 LETTER TO MINISTRIES OF AGRICULTURE AND MINES & POWER FOR THEIR ACTION; BUT HE IS NOT AWARE OF ANY PROCUREMENT PLANS ON THEIR PART AND HIS PURPOSE WOULD SIMPLY BE TO MOVE PAPERS INTO WHAT SEEM TO BE THE APPROPRIATE BUREAUCRATIC STRUCTURES.

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5. IF STAFF STILL INTERESTED IN SELLING UREA AND OILFIELD PIPE EQUIPMENT (APPARENTLY INYANG BELIEVED HE HAD LEADS TO POTENTIAL BUYERS), WE SUGGEST HE PURSUE MORE DIRECT APPROACH/ .:6 ,8&348-N GOVERNMENT PURCHASER OF OILFIELD PIPE IS NIGERIAN NATIONAL OIL CORPORATION (NNOC) WHICH HAS YET TO DRILL ANY OF ITS OWN WELLS BUT IS NOW GEARING UP TO DO SO. NNOC SEVERAL MONTHS AGO ASKED EMBASSY TO REFER US SUPPLIERS OF TUBULAR GOODS, BUT EMBASSY NOT CURRENTLY AWARE IF NNOC NEEDS HAVE BEEN MET. OTHERWISE, ALL CASING AND RILL PIPE CONTINUES TO BE PURCHASED BY THE BREIGN-OWNED OIL COMPANIES (CURRENTLY SHELL-BP, GULF, MOBIL, AGIP, TEXACO, ASHLAND, JAPEX, AND PAN OCEAN). APPROPRIATE CONTACT AT NNOC WOULD BE B.A. OSUNO/ACTING EXPLORATION AND PRODUCTION MANAGER/NNOC/P.M.B. 12650/LAGOS/CABLE:NNOC /LAGOS.

6. AS TO UREA, THIS IS NORMALLY PROCURED NOT BY FEDERAL MINISTRY OF AGRICULTURE BUT BY STATE MINISTRIES OF AGRICULTURE INDIVIDUALLY. SINCE STATE MINISTRIES NORMALLY RESELL FERTILIZER TO FARMERS AT SUBSIDIZED PRICE (50 PER CENT), IT ISWED UNLIKELY THAT T URE ARE ANY PRIVATE BUYERS IN NIGERIA. IT IS CONCEIVABLE THAT STATES COULD ASK NIGERIAN NATIONAL SUPPLY COMPANY (160 AWOLOWO ROAD/IKOYI/LAGOS) TO PROCURE UREA ON THEIR BEHALF, BUT OUR CONTACT AT NNSC INFORMS US THAT AS FAR AS HE KNOWS NO SUCH REQUESTS ARE CURRENTLY IN MILL. BEST LINE OF ACTION WOULD APPEAR TO BE DIRECT APPROACH TO ALL TWELVE STATE MINAGS.  
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